

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION CONFERENCE COMMITTEE ON HOUSE AMENDMENTS TO SENATE BILL 432

Call to Order: By **CHAIRMAN COREY STAPLETON**, on April 12, 2001 at 9:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Corey Stapleton, Chairman (R)
Rep. Joe McKenney, Chairman (R)
Sen. Dan Harrington (D)
Rep. Jeff Mangan (D)
Sen. Mike Taylor (R)
Rep. James Whitaker (R)

Members Excused: None.

Members Absent: None.

Staff Present: Jeanne Forrester, Committee Secretary
Gordon Higgins, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 432, 4/11/2001
Executive Action: SB 432

SB 432

Discussion:

SEN. COREY STAPLETON called the meeting to order. He explained why there was a second conference committee on this bill. Yesterday, this bill went back on the Senate floor and the debate centered on the bill, not the amendments. The majority of the questions came from **SEN. GREG JERGESON**, who felt this bill should go to a free conference committee.

SEN. STAPLETON asked **SEN. JERGESON** to write down the questions he had **EXHIBIT(ccs83sb0432a01)**.

SEN. MIKE TAYLOR said he would request this bill would not go to a free conference committee. He said **SEN. JERGESON** had asked a litany of questions, many of which could be answered by the legal staff. He also said as he looked through the questions, he felt much of what was questioned, was already in law.

SEN. STAPLETON asked who was involved with the draft of this bill, besides the legislators. **SEN. TAYLOR** said some of the people involved were **Peter Blouke**, Department of Commerce; **Mike Gold**, Department of Commerce; **Mae Nan Ellingson**, Bond Counsel and **Greg Petesch**, Legislative Council. He also said two years ago, the original bill was carried by **REP. MCKENNEY**.

SEN. STAPLETON asked if the wording of this bill was legally drafted. **SEN. TAYLOR** said he felt the bill was drafted the way it should be, for this application and procedure.

SEN. VICKI COCCHIARELLA said she wanted this bill to pass. She said she had visited with **Mae Nan Ellingson**, regarding the amendments and adding "equipment" to the bill. She said **Ms. Ellingson** felt it was up to the state to make decisions about something they want to purchase. The state has all the freedom, discretion and judgement, when it comes to buying equipment. She said **Ms. Ellingson** had requested the amendment to include "equipment", with that added she felt all their issues were addressed.

REP. JEFF MANGAN said when this amendment was drafted, he was led to believe "and equipment" was needed.

REP. MCKENNEY said when this bill was heard in the Business and Labor Committee, the intent was to allow the bonding for business equipment. However, the bond counsel was not comfortable with the language and asked for the amendment to specially state "equipment". He said **Andy Poole, Department of Commerce (DOC)**, was there when they discussed the language.

Andy Poole, DOC, gave a brief history on this bill. He said the original bill was drafted for the Venture Star Project (VSP), to provide some incentives to bring this project to Montana. Our state was one of 15 states competing for this project and there were three sites that were interested - Great Falls, Glasgow, and a site near Hardin. He said they put together some information for the Legislature to show what the economic impact this kind of project would have had **EXHIBIT(ccs83sb0432a02)**. Since that time,

the VSP is no longer a viable project and another project came along - Bigelow Aerospace. However, since our Montana laws require the public procurement process, Bigelow Aerospace decided to relocate the project to Nevada. He said another reason the Bigelow project moved to Nevada was because that state does not have state income taxes. He added, Nevada also offers other incentives. **Mr. Poole** said this tool (this bill) would have worked with the Bigelow project, if we would have had it. He said this bill has good checks and balances. It is a three-step process that would require three entities - the Board of Examiners, the Executive Branch, and the Department of Commerce be in agreement.

REP. MANGAN said it was his understanding that the words "and equipment" had to be place in the bill, in order for the bonding to go forward on the wind-tunnel project. **Mr. Poole** said the state bond counsel indicated that without inserting "and equipment", the bond letter could not be signed.

SEN. JERGESON said the Senate rejected the Conference Committee report. He said he felt the issue of the language "appropriated to the department" needed to be addressed. That phrase, he feels, should be struck and new language should be written.

SEN. STAPLETON said that language should have been addressed during second reading on the Senate floor.

SEN. JERGESON said when it was heard in the Senate, he was in the Chair, and he did not have the opportunity to ask any questions.

{Tape : 1; Side : A; Approx. Time Counter : 0}

SEN. TAYLOR asked if there needed to be an amendment concerning the area dealing with appropriations (page 2, line 9). **Mr. Poole** said it is his understanding the appropriations in bonding is already in statute. He said with this language, this bill was creating an appropriation, rather it was amending some of the statutory workings in this bill. **Mr. Higgins** said **Mr. Poole** was correct by having that original language stricken (page 2, line 9). He said that section has been reworked to incorporate the issue of "who may contract". He added he was not sure if this was a violation of the joint rule (40-20), about appropriation bills starting in the House. He said he did not have a good answer to that. He added this bill does not provide for the bonding, but for the process. He did say, he would recommend an attorney give an opinion on this.

SEN. COCCHIARELLA said she has been in the Legislature long enough to know that a conference committee can become a free

conference committee while you are meeting. She said she was concerned about the question's **SEN. JERGESON** had raised. She said she would like this committee to address the concerns that were here, and talk about them.

SEN. STAPLETON said there would not be another conference committee. If there is going to be another conference committee meeting, it would be a free conference committee.

REP. MANGAN asked about the 24-hour rule regarding public notification about a free conference committee.

SEN. TAYLOR said his concern was about the bill and the bonding question regarding the appropriations.

SEN. HARRINGTON said he had spent quite a bit of time on this bill. He felt this bill should progress and we need to make sure it is done the right way.

SEN. JERGESON said there was another issue, relating to the Constitution, that had not been addressed. The issue of putting permanent fixtures and facilities upon state land. Can these fixtures be disposed of for less than the market value? He felt it was in the sponsor's best interest to go to a free conference committee to examine these issues.

REP. MANGAN said the more he reads this bill, the more he has questions about the appropriation language.

SEN. TAYLOR said he would be willing to come in to talk about the bonding authority and the constitutional issue, but he would not be willing to meet to discuss the philosophy of this bill.

SEN. STAPLETON said if **Greg Petesch** had a problem with this bill as amended, he will reject the Conference Report and sent it to a Free Conference Committee.

Motion/Vote: **REP. MCKENNEY** moved that **SB 432 BE CONCURRED IN AS AMENDED**. Motion carried 5-1 with **REP. MANGAN** voting no.

ADJOURNMENT

Adjournment: 9:45 A.M.

SEN. COREY STAPLETON, Chairman

JEANNE FORRESTER, Secretary

CS/JM/JF

EXHIBIT (ccs83sb0432aad)